

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6745

BILL NUMBER: SB 498

NOTE PREPARED: Feb 17, 2015

BILL AMENDED:

SUBJECT: DNR Sale of Nursery Stock and Wildflower Seeds.

FIRST AUTHOR: Sen. Delph

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill authorizes the Department of Natural Resources (DNR) to sell or distribute nursery stock (botanically classified hardy perennial or biennial trees, shrubs, vines, fruit pits, and other plants or plant parts capable of propagation) or wildflower seeds to:

- (1) an individual who resides in a state other than Indiana and who owns land in Indiana and submits an affidavit in which the individual affirms that the nursery stock or wildflower seeds will be planted in Indiana;
- (2) an individual who resides in a state other than Indiana and who does not sell or distribute nursery stock or wildflower seeds in Indiana (individual);
- (3) a business located in a state other than Indiana that does not sell or distribute nursery stock or wildflower seed in Indiana (business); and
- (4) a wholesale business that sells nursery stock or wildflower seeds in Indiana, that has been inspected and certified by and holds a dealer's license issued by the DNR's Division of Entomology and Plant Pathology, and that has elected to have information about itself published on the Internet web site of the DNR's Division of Forestry (wholesale business).

The bill allows a sale or distribution to an individual, a business, or a wholesale business only if the DNR determines that the nursery stock or wildflower seeds to be sold or distributed are excess inventory.

The bill provides that, if a nurseryman so elects, certain information about the nurseryman shall be published on the Internet web site of the DNR's Division of Forestry. It provides that a nurseryman may make this election only if the nurseryman's nursery has been inspected and certified by and holds a dealer's license issued by the DNR's Division of Entomology and Plant Pathology and the nurseryman sells seedlings of trees

or bushes.

The bill also provides that the total of nursery stock produced by the DNR in any calendar year may not exceed the total of nursery stock produced by the DNR in the previous calendar year by more than 15%.

Effective Date: July 1, 2015.

Explanation of State Expenditures:

Explanation of State Revenues: *Summary:* Depending on the actions of Indiana wholesale businesses and nurseries, this bill could result in increased annual tree seedling revenue of \$150,000 to \$240,000. The DNR reported that on average there are 500,000 to 800,000 excess seedlings available after Indiana residents have purchased the seedlings they need. DNR sells seedlings for \$0.30 each.

The bill also provides that the total production of nursery stock may not be increased more than 15% above the prior year's production. Depending on circumstances, this limit on production may decrease the availability of excess stock for sale, reducing any potential increase in revenue due to sales of excess inventory.

Additional Information: DNR reported that they do not sell wildflower seeds. DNR reported approximately \$855,000 in tree seedling sales revenue in FY 2014. Revenues are used to support the operations of the Division of Forestry.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: DNR.

Local Agencies Affected:

Information Sources: DNR; "Indiana Handbook of Taxes, Revenues, and Appropriations, Fiscal Year 2014", Indiana Legislative Services Agency, Office of Fiscal and Management Analysis.

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